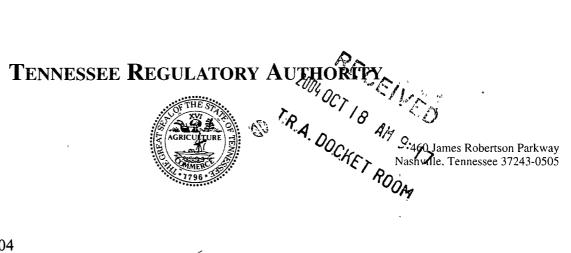
Pat Miller, Chairman Deborah Taylor Tate, Director Sara Kyle, Director Ron Jones, Director



October 15, 2004

Mr. Henry Walker Boult, Cummings, Conners & Berry, PLC 414 Union Street, Suite 1600 P.O. Box 198062 Nashville, TN 37219

Dear Mr. Walker:

In order to assist the Authority in the rulemaking proceeding in Docket No. 04-00166, Generic Docket to Examine Tariffs Setting Rates for Inmate Pay Phone Usage, it is requested that Pay-Tel Communications, Inc. ("Pay-Tel") furnish the following information:

- Describe the different types of surveillance equipment (minimum and maximum 1. levels of security) available to inmate facilities.
- Provide the cost to inmate facilities for each type of equipment described in item 2. one (1) above. Additionally, please itemize all costs incurred by inmate facilities for installing and maintaining the equipment. Costs should be separated into nonrecurring (installation) and recurring costs.
- Identify the company responsible for installing the surveillance equipment and 3. discuss all terms and conditions for installing the equipment. Include in your discussion whether inmate facilities purchase this equipment as part of their contract with Pay-Tel, purchase the equipment independent of Pay-Tel, or whether the equipment remains property of Pay-Tel.
- How do inmate facilities pay for/recover the cost of surveillance equipment? 4.
- 5. Identify all other monthly expenses incurred by Pay-Tel for maintaining inmate payphones.
- 6. Identify by each inmate location served by Pay-Tel the amount of revenues generated from inmate payphones. The revenues should be separated by local calls, intrastate long distance calls and interstate long distance calls. The revenues for local collect calls should reflect the new \$1.50 rate cap. Please provide the

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information based upon the most recent twelve (12) months of data available (call volumes).

Should you have questions or need clarification of this request, please contact David Foster at (615) 741-2904, ext. 188. It is requested that the information be provided no later than noon on Monday October 25, 2004.

Sincerely,

Darlene K. Standley

Chief, Utilities Division

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C: Docket File